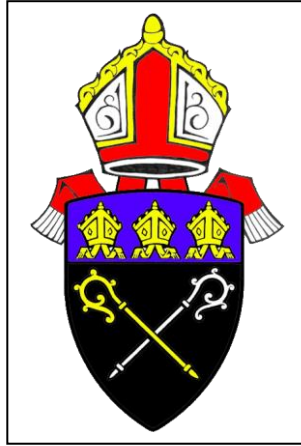


**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT AND FINANCIAL STATEMENTS 2017**



**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**BWRDD CYLLID ESGOBAETH LLANDAF**

(Cwmni dan warrant a heb gyfalaf cyfrannu)

**Report and Financial Statements**  
**Adroddiad a Datganiad o Gyfrifon**

**For the year ending 31<sup>st</sup> December 2017**

**Ar gyfer y flwyddyn a ddaeth i ben 31 Rhagfyr 2017**

**Charity number/ Rhif Elusen: 242452**

**Company number/ Rhif Cwmni: 488549**

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT AND FINANCIAL STATEMENTS 2017**

<b>CONTENTS</b>	<b>Page</b>
<b>Trustees' Report (including Strategic Report):</b>	
<b>Objectives and Activities</b>	<b>3</b>
<b>Achievements and Performance</b>	<b>4</b>
<b>Financial Review</b>	<b>4 - 5</b>
<b>Plans for the Future</b>	<b>5</b>
<b>Structure, Governance and Management</b>	<b>6 - 9</b>
<b>Reference and Administrative Details</b>	<b>10 - 11</b>
<b>Statement of Trustees' Responsibilities</b>	<b>12</b>
<b>Independent Auditors' Report</b>	<b>13 - 15</b>
<b>Statement of Financial Activities</b>	<b>16</b>
<b>Balance Sheet</b>	<b>17</b>
<b>Cash Flow Statement</b>	<b>18</b>
<b>Notes to the Financial Statements</b>	<b>19 - 38</b>

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
**(a company limited by guarantee and not having a share capital)**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31<sup>st</sup> December 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (as amended for accounting periods commencing from 1 January 2016).

The combined report therefore satisfies the legal requirements for:

- A directors' report of a charitable company,
- A strategic report under the Companies Act 2006 and
- A trustees' annual report under the Charities Act 2011

**OBJECTIVES AND ACTIVITIES**

**STRATEGIC REPORT (OBJECTIVES, ACTIVITIES AND RISKS)**

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry
- maintenance of clergy
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and their widows
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff.

The Board provides finance to the Diocese of Llandaff whose Mission Statement is:

“Developing the ministry and discipleship of all God’s people throughout the diocese so that, transformed ourselves, we might play our part in transforming God’s world.”

Its main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board’s responsibility is largely to finance the costs out of funds received both from the Parishes within the Diocese by means of the Parish Share and from grants received from the Representative Body of the Church in Wales. Parish Share is a vehicle for allocating to Parishes the projected unfunded costs from year to year.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Parish Share increases to the minimum. The Board has a secondary function in maintaining the provision of Church Schools within the Diocese by the administration and control of capital expenditure on buildings for which it receives funds from Welsh Government and School Governors. The Board plays no part in the determination of the amount of such capital expenditure, but acts as trustee of the properties.

The Board is able to raise, expend, invest and accumulate funds for the foregoing purposes; and to acquire and hold real and personal property.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

**ACHIEVEMENTS AND PERFORMANCE**  
**STRATEGIC REPORT (ACHIEVEMENTS AND PERFORMANCE)**

The main charitable activities undertaken were those described under the objectives and activities section of this report and have been grouped under the generic headings of support for ministry, support for parishes, church property, grants and other financial support and communication. In 2017, the total cost of the Board's unrestricted charitable activities was £4.95 million compared with a budget of approximately £5.59 million and was mainly funded by grants from the Representative Body and by means of the Parish Share from parishes.

Approximately 66.4% of the Board's unrestricted income came through Parish Share in 2017 and the support of parishioners thus occupies an important position in the Board's financial affairs. The Board has resourced the diocese with a wide range of diocesan officers, who support all aspects of parish life.

**FINANCIAL REVIEW**

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 86.2% of its unrestricted expenditure in 2017. Conscious of the need to keep demands on parishes to that which is perceived as affordable by those parishes, expenditure both actual and proposed is rigorously scrutinised. Therefore, in preparation of the 2018 budget, the Parish Share requirement for 2018 was maintained in financial terms from 2017.

Total incoming resources of £7.15 million included: approximately £1.67 million received from the Representative Body; £4.00 million collected by Parish Share and £139k grants received for investment in new and improved church school buildings. Total resources expended were £7.49 million and included expenditure in respect of the charity's principal charitable objects and activities of £5.0 million for support of the ministry, £494k in support of parishes, £1,545k on church property including church schools and £306k in grants.

The assets of the Llandaff Diocesan Board for Social Responsibility were received in January 2017 totalling £659k and have been allocated to a restricted fund to be used for community development work within the diocese.

The proceeds in the Schools Fund from the sale of the Penarth Church in Wales primary school land and buildings together with its related interest, is being held awaiting transfer to revertee. Balance awaiting transfer as at 31st December is £750,849.

All funds have sufficient income to meet their obligations.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

### **FINANCIAL REVIEW (Continued)**

#### Key events of 2017

##### **Changes to Senior Leadership**

The Most Revd Dr Barry Morgan, Archbishop of Wales and Bishop of Llandaff, retired on 31 January 2017. The Rt Revd June Osborne was consecrated as his successor on 15 July 2017 and took up her Trustee duties at the Annual General Meeting of the Board on 26 September 2017.

The Chair of the Board, Mr Paul Marshall, retired on 26 July 2017 and was succeeded by Mr Michael Lawley.

##### **Ministry Areas**

The Ministry Area Development Officer has continued to work with parishes on the formation of new ministry areas. Work continues in Bridgend, Ely Valley, Rhondda, Whitchurch, Eglwysilan & Caerphilly and Cowbridge.

##### **Mental Health Chaplaincy**

The Church in Wales' first ever community mental health chaplaincy was set up in the Diocese of Llandaff in 2016. The chaplaincy is a joint venture with the charity Mind, part-funded by a grant from Allchurches Trust. The main aim of the chaplaincy is to train church communities in mental health awareness, mental health first aid and suicide prevention and this work continues. In 2017 working with the Community Development Officer the Chaplain has also provided Dementia Friendly workshops across the diocese.

##### **Parish Finance**

The Parish Resources Adviser post fell vacant in April 2017 and has not yet been filled. However the diocesan office has been able to continue to work supporting parishes, providing the annual Treasurers Breakfast, Data Developments Software training and regular email newsletters.

##### **Diocesan Funding**

For the final year transformation funds were received from the Representative Body of £166,667 and have been match funded by the Board. Some of these funds together with funds from the now closed Board for Social Responsibility are available to support parishes. Each fund has a different set of criteria and application form. Allocation of funding is overseen by the Diocesan Mission Fund Committee.

### **PLANS FOR THE FUTURE**

The Board will continue to undertake its main functions as described in the objectives and activities. This includes taking responsibility for areas of expenditure previously paid directly by the Representative Body. The grant receivable from the Representative Body is based on numbers of clergy, both actual and required. Parish share for 2018 is being maintained at 2017 levels, but the Board's projections for the next five years reveal a probable average increase of up to 5% per annum will be necessary.

The Board is aware of the difficult financial circumstances faced by the UK government and their impact on both the valuation of reserves held by the charity and on the ability of the parishioners to continue their considerable financial support through the Parish Share. Through its sub-committees the Board will review the effects of this changing situation and adjust plans where appropriate.

As expenditure also follows closely in line with clergy numbers, a continuous review of requirements in that area is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the opportunities for the training of new ordinands.

##### **Diocesan Strategy**

We continue to support the implementation of the Diocesan strategy working towards the goals of 20:20 Vision. Our new Bishop supported by the new Chair of the DBF will launch the enhanced diocesan strategy at the 2018 diocesan conference. The 2019 budget will be compiled with a view to the implementation of the enhanced vision. Parishes will also continue to be supported with the implementation of new initiatives through the various support funds available by application including the Community Development Fund, Parish Transformation Fund, and the Mission Fund. Applications and criteria documents are available on the diocesan website.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 24th October 1950 and amended by special resolutions passed on 24th September 2003 and 24 September 2008.

**Principal Objective**

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

**Structure**

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and annual meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

**Public Benefit**

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

**Membership**

The membership of the company is a maximum of 22 members, being:

- eleven members (three clerical, eight lay) elected by the members of the Llandaff Diocesan Conference
- six ex-officio officers of the Diocese of Llandaff: (the Bishop, the Assistant Bishop (when such an appointment exists), three Archdeacons, and the Chairman of the Parsonage Board)
- one appointed member, being the Chairman of the Board appointed by the Bishop of the Diocese of Llandaff
- four co-opted members

The members of the Board each hold one guarantee share of £1.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

**Appointment of trustees**

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities. They may also avail themselves of the opportunity to visit the diocesan office for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints sub-committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board. Any decisions required outside of existing policies are made by reference to the Board Chairman and/or other senior trustees, and are endorsed at subsequent Board meetings.

**Related Parties**

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The updated policy was agreed by the Board in November 2017.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed, and are recorded within the minutes of that meeting.

All financial transactions are made within an agreed financial policy framework which was comprehensively re-written and agreed by the Board in November 2015 and updated in November 2017. The only trustees with the ability to approve financial transactions within this framework are the Chairman of the Board and the Chairman of the Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity, and there have been no related party transactions during the year.

**Remuneration policy for senior management**

The trustees consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Board on a day to day basis.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2017 they were considered to be the Diocesan Secretary and Accountant.

The Trustees have agreed a remuneration policy the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

#### **Risk management**

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that Llandaff DBF face
- The establishment of policies, systems and procedures to mitigate those risks, and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise

The Board has in place a Risk Sub Committee whose role it is to:

- Provide scrutiny of the identified key risks on the register
- Allocate the risks to other committees/individuals who have responsibility for reviewing the risk, assessing the controls in place and amending them as appropriate. The risk holder is also responsible for reporting back to the Committee on the current status of the risk
- Undertake a detailed review of the responses of the risk holders and provide a report on those findings (key areas of risk and mitigation) to the DBF annually

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers – diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship to assist parishes into growth
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant parish share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of parish share default levels, and investment diversification and management

The Trustees recognise that the DBF could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

#### **Investment powers and policies**

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

The brief to stockbrokers in their handling of all funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 17). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.



## **REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)**

#### **Reserves policy and going concern**

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs.

The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them.

The level of reserve holding as at 31st December 2017 is £27.92 million. This total includes £18.70 million of restricted and endowment income. The Board therefore holds £9.22 million of unrestricted reserves.

The unrestricted reserves include a number of designated reserves £386k and fixed asset value of £1.67 million which would not be quickly realisable to liquid funds.

The current designated reserves are:

- Transformation Fund: The Representative Body has allocated the diocese £500,000 over a three year period which has been match funded by the DBF to implement 20:20 Vision initiatives. The funds have been designated for this purpose. The transformation funds it is anticipated will be spent within the next 3 years.
- Training: Designated funds are held towards the anticipated cost of training of ordinands. The designated fund changes on an annual basis with the current designation being spent within the next three years (length of training cycle).
- Community Mental Health Chaplain: These funds are set aside by the Diocesan Board of Finance to match fund a grant received from All Churches Trust for a three year project to fund a Community Mental Health Chaplain which will run to 2019.

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2017 is £7.16 million which represents 15 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the known future reduction in the Representative Body block grant, to ease the burden of increasing Fairer Share in the future, and also to implement the enhanced diocesan strategy.

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern.

#### **Grant making policy**

Grants are allocated by the Board in pursuance of its objects and the nature of those grants are indicated in note 11. Grants are considered by the Standing Committee and Budget Sub Committee on an annual basis as part of the budget setting process. The quarterly distribution of the annual mission fund grant, community development fund grant, and parish transformation fund grant allocation is by committee decision.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

**REFERENCE AND ADMINISTRATIVE DETAILS**

Charity Name	Llandaff Diocesan Board of Finance
Charity Registration Number	242452
Company Registration Number	488549
Registered Office	The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH
Website	<a href="http://llandaff.churchinwales.org.uk/">http://llandaff.churchinwales.org.uk/</a>

**Directors and trustees**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

**Llandaff Diocesan Board of Finance: Trustees and Directors:**

The Most Reverend Dr Barry Morgan (retired 31<sup>st</sup> January 2017)  
The Right Reverend David Wilbourne (resigned 16<sup>th</sup> April 2017)  
The Right Reverend June Osborne (appointed 26<sup>th</sup> September 2017)  
The Venerable Christopher Smith  
The Venerable Frances Jackson  
The Reverend Robert Davies  
The Reverend Jon Ormrod  
The Reverend Andrew Meredith  
Mr Michael Lawley (existing trustee, appointed as Chair 27<sup>th</sup> July 2017)  
Mr Paul Marshall (Chairman retired as trustee 26<sup>th</sup> July 2017)  
Mr Anthony Davies  
Mr Geoffrey Moses  
Mr Adrian Parker  
Mr Peter Umbleja  
Ms Anna Cory  
Mrs Deryn McAndrew  
Mrs Julia Lewis  
Mr Philip Hopkins  
Mrs Christine Budge (resigned 26<sup>th</sup> September 2017)

The Secretary to the Board	Mrs Rowena Small
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**Key management personnel:**

The Secretary to the Board	Mrs RM Small
Diocesan Accountant	Mrs VJ Boyce

**Advisers:**

Solicitor	Berry Smith Haywood House, Dumfries Place, Cardiff, CF10 3GA
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Principal Bankers	National Westminster Cardiff North Branch, Llandaff, Cardiff, CF5 2YT
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Registered Auditors	Broomfield & Alexander Limited Waters Lane Chambers, 1-3 Waters Lane, Newport, NP20 1LA
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**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

**Advisers (continued):**

Stockbrokers

Rathbones Investment Management  
10 Queen Square, Bristol, BS1 4NT

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

Below are the various trusts for which the Board acts as a custodian trustee:

<b>Name of Trust</b>	<b>Nature of investments held</b>
Aberdare – land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Parish and the Educational Fund is under review by The Charity Commission. The value of the deposit at 31<sup>st</sup> December 2017 was £494,222. The appropriate proceeds will be added to the Schools Fund at a future date once a decision is reached.

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 3 - 9 within their capacity as company directors.

Approved by the Board of Trustees on  
and signed on behalf of the Board

**R M Small**  
**Secretary**

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31<sup>st</sup> DECEMBER 2017**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Llandaff Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant information being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the auditors that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on  
and signed on behalf of the Board

**R M Small**  
Secretary

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE (a company limited by guarantee and not having a share capital)**

## **Opinion**

We have audited the financial statements of Llandaff Diocesan Board of Finance (the "Charity") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE (a company limited by guarantee and not having a share capital)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LLANDAFF DIOCESAN BOARD OF FINANCE  
(a company limited by guarantee and not having a share capital)**

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

**Sarah Case FCA DChA**  
Senior Statutory Auditor  
For and on behalf of  
**Broomfield & Alexander Ltd**  
Statutory Auditors  
Waters Lane Chambers  
1 – 3 Waters Lane  
Newport  
NP20 1LA

Dated .....

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating the INCOME AND EXPENDITURE ACCOUNT)**  
**Year ended 31 December 2017**

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Income and endowments from:</b>						
Donations and legacies	4	5,549,860	188,853	-	5,738,713	5,765,319
Charitable activities	5	35,605	231,953	-	267,558	297,011
Investments	6	290,642	186,992	-	477,634	363,120
Other Income	7	-	661,955	-	661,955	-
<b>Total income and endowments</b>		<b>5,876,107</b>	<b>1,269,753</b>	<b>-</b>	<b>7,145,860</b>	<b>6,425,450</b>
<b>Expenditure on:</b>						
Raising funds		43,750	12,095	931	56,776	56,776
Charitable activities						
Support for ministry	8	4,266,888	768,805	-	5,035,693	4,829,681
Support for parishes	9	329,758	163,929	-	493,687	703,692
Church property	10	109,660	1,436,040	-	1,545,700	830,527
Grants and other financial support	11	139,221	166,724	-	305,945	173,215
Communication	12	56,331	-	-	56,331	46,708
<b>Total expenditure</b>		<b>4,945,608</b>	<b>2,547,593</b>	<b>931</b>	<b>7,494,132</b>	<b>6,640,599</b>
Net gains/(losses) on investments		533,287	9,074	13,870	556,231	917,008
<b>Net income/(expenditure)</b>		<b>1,463,786</b>	<b>(1,268,766)</b>	<b>12,939</b>	<b>207,959</b>	<b>701,859</b>
<b>Transfers between funds</b>		<b>(626,750)</b>	<b>626,750</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>						
Profit on revaluation of investment property/loans		45,000	-	-	45,000	-
<b>Net movement in funds</b>		<b>882,036</b>	<b>(642,016)</b>	<b>12,939</b>	<b>252,959</b>	<b>701,859</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	3,24 28	8,330,856	19,133,649	198,511	27,663,016	26,961,157
<b>Total funds carried forward</b>	<b>3,24 28</b>	<b>9,212,892</b>	<b>18,491,633</b>	<b>211,450</b>	<b>27,915,975</b>	<b>27,663,016</b>

The notes on pages 19 to 38 form part of the financial statements



**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**BALANCE SHEET**  
Year ended 31 December 2017

	Note	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total funds 2017 £	Total funds 2016 £
<b>Fixed assets:</b>						
Tangible assets	16	464,511	16,611,942	-	17,076,453	17,575,476
Investment property	17	220,000	230,956	-	450,956	175,000
Investments	17	7,170,423	118,032	191,826	7,480,281	6,779,543
Long-term loans	18	980,822	155,265	-	1,136,087	1,258,982
<b>Total fixed assets</b>		<b>8,835,756</b>	<b>17,116,195</b>	<b>191,826</b>	<b>26,143,777</b>	<b>25,789,001</b>
<b>Current assets:</b>						
Debtors	19	82,790	256,054	38	338,882	310,153
Cash at bank and in hand		1,447,661	2,269,441	19,859	3,736,961	3,166,260
<b>Total current assets</b>		<b>1,530,451</b>	<b>2,525,495</b>	<b>19,897</b>	<b>4,075,843</b>	<b>3,476,413</b>
<b>Liabilities:</b>						
Creditors: amounts falling due within one year	20	(343,451)	(988,653)	(273)	(1,332,377)	(604,750)
<b>Net current assets</b>		<b>1,187,000</b>	<b>1,536,842</b>	<b>19,624</b>	<b>2,743,466</b>	<b>2,871,663</b>
<b>Total assets less current liabilities</b>		<b>10,022,756</b>	<b>18,653,037</b>	<b>211,450</b>	<b>28,887,243</b>	<b>28,660,664</b>
Creditors: amounts falling due after more than one year:						
Loans from the Representative Body of the Church in Wales	18	(730,034)	-	-	(730,034)	(762,975)
Parish Grants	21	(19,130)	(51,139)	-	(70,269)	(40,000)
Clergy School	21	(60,700)	-	-	(60,700)	(56,700)
Governor Loans		-	(110,265)	-	(110,265)	(137,973)
<b>Total net assets</b>	<b>28</b>	<b>9,212,892</b>	<b>18,491,633</b>	<b>211,450</b>	<b>27,915,975</b>	<b>27,663,016</b>
<b>The funds of the Charity:</b>						
Endowment funds	24	-	-	211,450	211,450	198,511
Restricted income funds	3	-	18,491,633	-	18,491,633	19,133,649
Unrestricted funds:						
Designated	23	386,288	-	-	386,288	355,688
General		8,672,320	-	-	8,672,320	7,865,884
Revaluation Reserve		154,284	-	-	154,284	109,284
<b>Total charity funds</b>	<b>28</b>	<b>9,212,892</b>	<b>18,491,633</b>	<b>211,450</b>	<b>27,915,975</b>	<b>27,663,016</b>

These financial statements were approved and authorised by the Board of Directors on

Signed on behalf of the Board of Directors

Director

Director

The notes on pages 19 to 38 form part of the financial statements

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**CASHFLOW STATEMENT**  
**Year ended 31 December 2017**

		2017		2016
	£	£	£	£
<b>Cash flows from operating activities:</b>				
<b>Net cash provided by operating activities</b>		<b>477,964</b>		<b>(127,940)</b>
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	477,634		363,120	
Purchase of property, plant and equipment	(9,434)		(8,352)	
Proceeds from sale of investments	337,956		550,473	
Purchase of investments	<u>(713,419)</u>		<u>(816,865)</u>	
<b>Net cash provided by investing activities</b>		<b>92,737</b>		<b>88,376</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<hr/> <b>570,701</b>		<hr/> <b>(39,564)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<hr/> <b>3,166,260</b>		<hr/> <b>3,205,824</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<hr/> <b>3,736,961</b>		<hr/> <b>3,166,260</b>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		<b>2017</b>		<b>2016</b>
		£		£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>		<b>207,959</b>		<b>701,859</b>
Adjustments for:				
Depreciation charges		<b>508,457</b>		507,925
(Gains)/losses on investments		<b>(556,231)</b>		(917,008)
Dividends, interest and rents from investments		<b>(477,634)</b>		(363,120)
Decrease/(Increase) in debtors		<b>94,166</b>		(50,147)
Increase/ (decrease) in creditors		<b>701,247</b>		<u>(7,449)</u>
<b>Net cash provided by (used in) operating activities from operating activities</b>		<hr/> <b>477,964</b>		<hr/> <b>(127,940)</b>
<b>Analysis of cash and cash equivalents</b>		<b>2017</b>		<b>2016</b>
		£		£
Cash in hand		<b>2,726,539</b>		2,155,838
Notice deposits (less than 3 months)		<b>1,010,422</b>		<u>1,010,422</u>
<b>Total cash and cash equivalents</b>		<hr/> <b>3,736,961</b>		<hr/> <b>3,166,260</b>

The notes on pages 19 to 38 form part of the financial statements

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Year ended 31 December 2017**

All activities derive from continuing operations. There are no recognised gains and losses for the current financial year or the prior financial period other than as stated in the Statement of Financial Activities and, accordingly, no separate total of recognised gains and losses is presented.

#### **1. ACCOUNTING POLICIES**

##### **Charity information**

Llandaff Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales. The registered office is The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

##### a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. Llandaff Diocesan Board of Finance met the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### b) Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are those which have been donated to the Board with the express wish that capital not be expended. Income on these funds is paid out in accordance with the wishes of the donor.

Investment income and gains are allocated to the appropriate fund.

##### d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income arising from permanent endowments is credited to unrestricted funds or restricted funds in accordance with the trust provisions.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity.

Resources expended are included in the Statement of Financial Activities at the time they become due.

Income and expenditure are stated gross.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Charitable activities

This includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees' Report.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, gains/losses on disposal of fixed assets and governance costs which support the Board's activities. These costs have been allocated between areas of expenditure. The bases on which support costs have been allocated are set out in note 13.

h) Tangible fixed assets

Tangible fixed assets costing in excess of £1,000 are stated at cost less accumulated depreciation. Depreciation is provided on fixed assets in order to write them off in equal annual instalments over their estimated useful lives. The charity employs the principle of charging no depreciation in the year of addition and full in the year of disposal. The following rates are used:

School buildings	-	2% per annum on cost
Office premises	-	2.5% per annum on cost
Office furniture and fittings	-	10% per annum on cost
Office equipment	-	25% per annum on cost

No depreciation is provided on land.

i) Gifted properties

When the Board was incorporated in 1950, responsibility for a number of properties was transferred to it 'en bloc'. The number and nature of such properties was unclear; in some cases the Board is not the legal owner but merely custodian trustee. The records are sparse and difficult to determine but the registration of titles is now almost complete. The properties include church halls and old school buildings; no value has ever been placed upon any for which the Board may be the beneficial owner and it is impractical to place any such value until the nature and ownership are determined.

j) Investments

Investments held as fixed assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

k) Investment property

Premises at Heol Fair, Llandaff previously used as the Diocesan office are included in the balance sheet as an investment property at valuation provided by Cooke & Arkwright at 17th January 2018.

Investment property is shown at its open market value as defined under the current RICS Practice statements and guidelines, and then measured at its fair value at the balance sheet date. The surplus or deficit arising from the revaluation is recognised in the Statement of Financial Activities for the year.

Premises at Cowbridge Road which were transferred in 2017 from the Llandaff Diocesan Board for Social Responsibility are currently being held at depreciated valuation. The asset will be re-valued in 2018 in line with the Board's 5 year revaluation policy. The property was last valued in 2013.

Investment property is held for its investment potential and not for use by the company and so its current market value is of prime importance. The departure from the provisions of the Companies Act 2006 to depreciate assets is required in order to give a true and fair view.

l) Pension costs

Pension contributions are made to stakeholder pension arrangements for the benefit of employees. Pension costs are charged to expenditure in the Statement of Financial Activities as they fall due. The pension costs of the clergy, although charged to the Board, are paid by it as agent rather than employer.

m) Operating leases

Payments made in respect of operating leases are charged to the accounts in the year in which they are paid.

n) Financial Instruments

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at transaction price (including transaction costs). The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated at the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated at the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**3. RESTRICTED FUNDS**

The purposes of the restricted funds shown in the following analyses are as follows:

a) Retired clergy fund

This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.

b) Parsonage Board fund

This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.

c) Schools funds

This fund is held in two parts:

- grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools; and
- accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.

d) Widows', Orphans' and Dependants' Society (W.O.D.S.)

Monies are held to provide financial assistance to the widows and dependants of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.

e) Sundry trusts

These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.

f) Bishop's Mission and General Fund

Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.

g) Transformation Fund (Representative Body Grant)

The Representative Body of the Church in Wales has committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.

h) Community Development Fund

The assets of the Llandaff Diocesan Board for Social Responsibility were transferred to Llandaff Diocesan Board of Finance early in 2017 and are to be used for the same charitable purposes focussing on community development projects within parishes.

i) Community Mental Health Chaplaincy

This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**3. RESTRICTED FUNDS (CONTINUED)**

j) Movements on Restricted Funds

	Balance 1 January 2017 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/ (losses) £	Balance 31 December 2017 £
Retired clergy	42,470	-	4,343	(3,040)	-	43,773
Parsonage board	45,968	621,750	114,241	(754,194)	-	27,765
Schools funds:						
External grants	16,722,162	-	138,805	(465,402)	-	16,395,565
Accumulated funds	1,091,288	-	116,125	(214,282)	-	993,131
Penarth school proceeds	754,088	-	2,099	(756,187)	-	-
Sundry trusts	73,326	-	3,447	(3,593)	7,191	80,371
Bishop's mission fund	-	-	4,154	(4,154)	-	-
Community Mental Health Chaplaincy	13,021	-	20,000	(28,886)	-	4,135
Transformation fund	333,334	-	166,666	(128,287)	-	371,713
Community Development	-	-	691,312	(186,950)	-	504,362
W.O.D.S.	57,992	5,000	8,561	(2,618)	1,883	70,818
	<u>19,133,649</u>	<u>626,750</u>	<u>1,269,753</u>	<u>(2,547,593)</u>	<u>9,074</u>	<u>18,491,633</u>

The transfer into the Parsonage Board fund from unrestricted funds is as described in note 3(b) above.

The proceeds in the Schools Fund from the sale of the Penarth Church in Wales primary school land and buildings together with its related interest, is being held awaiting transfer to revertee. Balance awaiting transfer as at 31st December is £750,849.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**3. RESTRICTED FUNDS (CONTINUED)**

k) Movements on Restricted Funds (prior year comparative)

	Balance 1 January 2016 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/ (losses) £	Balance 31 December 2016 £
Retired clergy	38,138	-	4,332	-	-	42,470
Parsonage board	19,640	612,500	123,361	(709,533)	-	45,968
Schools funds:						
External grants	17,016,153		168,050	(462,041)	-	16,722,162
Accumulated funds	1,250,686	-	112,218	(271,616)	-	1,091,288
Penarth school proceeds	750,447	-	3,641	-	-	754,088
Sundry trusts	72,830	-	2,193	(13,130)	11,433	73,326
Bishop's mission and general fund	-	-	10,345	(10,345)	-	-
Community Mental Health Chaplaincy	-	-	20,000	(6,979)	-	13,021
Transformation fund	166,667	-	166,667	-	-	333,334
W.O.D.S.	<u>29,470</u>	<u>5,000</u>	<u>3,955</u>	<u>(4,873)</u>	<u>24,440</u>	<u>57,992</u>
	<u>19,344,031</u>	<u>617,500</u>	<u>614,762</u>	<u>(1,478,517)</u>	<u>35,873</u>	<u>19,133,649</u>



**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2017

**4. DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Grants from the Representative Body of the Church in Wales						
Block grant	1,490,268	-	1,490,268	1,490,268	-	1,490,268
Other	8,333	166,667	175,000	8,333	166,667	175,000
	<u>1,498,601</u>	<u>166,667</u>	<u>1,665,268</u>	<u>1,498,601</u>	<u>166,667</u>	<u>1,665,268</u>
Parish Share	4,003,726	-	4,003,726	4,023,508	-	4,023,508
Parish & School contributions	-	7,911	7,911	-	18,582	18,582
Donations	47,533	14,275	61,808	47,616	10,345	57,961
	<u>5,549,860</u>	<u>188,853</u>	<u>5,738,713</u>	<u>5,569,725</u>	<u>195,594</u>	<u>5,765,319</u>

The Board benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with Charities SORP(FRS102), the economic contribution of general volunteers is not recognised in the accounts.

**5. CHARITABLE ACTIVITIES INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b><i>Support for ministry</i></b>						
Hospital chaplaincies	1,125	-	1,125	1,211	-	1,211
Clergy school grant	3,000	-	3,000	3,000	-	3,000
Grants for work on parsonages	-	11,210	11,210	-	11,090	11,090
Insurance claims	4,518	-	4,518	-	-	-
<b><i>Support for parishes</i></b>						
Staff recharges	7,040	-	7,040	6,740	-	6,740
Schools receipts	18,467	-	18,467	20,792	-	20,792
Community Mental Health Chaplaincy	-	20,000	20,000	-	20,000	20,000
Licence income	1,440	-	1,440	2,880	-	2,880
<b><i>Church property</i></b>						
Grants for schools capital projects	-	138,805	138,805	-	168,050	168,050
Schools contributions to insurances	-	61,938	61,938	-	62,422	62,422
<b><i>Communications</i></b>						
Directory sales, copying charges	15	-	15	826	-	826
	<u>35,605</u>	<u>231,953</u>	<u>267,558</u>	<u>35,449</u>	<u>261,562</u>	<u>297,011</u>

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2017

**6. INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Bank and other interest	10,853	4,801	15,654	11,834	11,440	23,274
Dividend and trust income	258,477	8,403	266,880	166,813	6,974	173,787
Rental income	21,312	173,788	195,100	26,867	139,192	166,059
	<u>290,642</u>	<u>186,992</u>	<u>477,634</u>	<u>205,514</u>	<u>157,606</u>	<u>363,120</u>

**7. OTHER INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Transfer of assets from Board for Social Responsibility	-	659,434	659,434	-
Community Development Fund sundry income	-	2,521	2,521	-
	<u>-</u>	<u>661,955</u>	<u>661,955</u>	<u>-</u>

The assets of the Llandaff Diocesan Board for Social Responsibility were transferred to Llandaff Diocesan Board of Finance early in 2017 and are to be used for the same charitable purposes focussing on community development projects within parishes.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**8. CHARITABLE ACTIVITIES: SUPPORT FOR MINISTRY**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b><i>Support for Ministry</i></b>						
<b><i>Stipends, fees and pensions</i></b>						
Stipends	2,083,307	-	2,083,307	2,084,860	-	2,084,860
Curates' stipends	219,058	-	219,058	227,205	-	227,205
National Insurance	230,340	1,538	231,878	231,863	-	231,863
Pension costs	980,740	6,415	987,155	833,723	-	833,723
Apprenticeship levy	7,425	-	7,425	-	-	-
Archdeacons	50,596	-	50,596	50,196	-	50,196
Cathedral staff costs	63,777	-	63,777	63,272	-	63,272
Sector ministry stipends	59,643	16,535	76,178	115,275	-	115,275
Bishop's office costs	15,693	-	15,693	-	-	-
University chaplaincies	30,806	-	30,806	30,444	-	30,444
Vacancy fees	28,583	-	28,583	35,185	-	35,185
	<b>3,769,968</b>	<b>24,488</b>	<b>3,794,456</b>	<b>3,672,023</b>	<b>-</b>	<b>3,672,023</b>
<b><i>Property costs</i></b>						
Council Tax	207,579	-	207,579	201,183	-	201,183
Parsonage maintenance costs	4,971	699,484	704,455	-	660,941	660,941
Parsonage insurances	21,759	-	21,759	22,107	-	22,107
	<b>234,309</b>	<b>699,484</b>	<b>933,793</b>	<b>223,290</b>	<b>660,941</b>	<b>884,231</b>
<b><i>Clergy expenses</i></b>						
Area deans' expenses	2,533	-	2,533	2,590	-	2,590
Archdeacons' expenses	13,227	-	13,227	12,213	-	12,213
Removal costs	56,136	-	56,136	38,264	-	38,264
Bishop's discretionary fund	19,095	-	19,095	19,095	-	19,095
Miscellaneous	24,104	-	24,104	7,805	-	7,805
	<b>115,095</b>	<b>-</b>	<b>115,095</b>	<b>79,967</b>	<b>-</b>	<b>79,967</b>
<b><i>Training</i></b>						
Training costs of ordinands	43,720	-	43,720	45,348	-	45,348
Robes for Deacons	3,035	-	3,035	1,712	-	1,712
Continuing ministerial education	11,203	-	11,203	5,706	-	5,706
Readers	968	-	968	2,593	-	2,593
Clergy school	4,000	-	4,000	20,000	-	20,000
	<b>62,926</b>	<b>-</b>	<b>62,926</b>	<b>75,359</b>	<b>-</b>	<b>75,359</b>
Support costs (note 13)	68,203	44,833	113,036	63,031	39,877	102,908
Governance costs (note 13)	16,387	-	16,387	15,193	-	15,193
	<b>84,590</b>	<b>44,833</b>	<b>129,423</b>	<b>78,224</b>	<b>39,877</b>	<b>118,101</b>
	<b>4,266,888</b>	<b>768,805</b>	<b>5,035,693</b>	<b>4,128,863</b>	<b>700,818</b>	<b>4,829,681</b>

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**9. CHARITABLE ACTIVITIES: SUPPORT FOR PARISHES**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Parish Share refund to parishes	196,762	-	196,762	196,294	-	196,294
Debt provision	(20,188)	-	(20,188)	20,344	-	20,344
Uppsala link	344	-	344	1,918	-	1,918
Community Mental Health Chaplaincy	-	28,886	28,886	-	6,979	6,979
Sector ministry costs	193,269	6,761	200,030	158,033	-	158,033
Transformation fund	-	128,287	128,287	217,566	-	217,566
Release of Strategic Fund provision	(151,746)	-	(151,746)	-	-	-
Loan interest	24	(5)	19	11	-	11
<i>Support costs (note 13)</i>	67,548	-	67,548	61,989	-	61,989
<i>Governance costs (note 13)</i>	43,745	-	43,745	40,558	-	40,558
	<u>329,758</u>	<u>163,929</u>	<u>493,687</u>	<u>696,713</u>	<u>6,979</u>	<u>703,692</u>

**10. CHARITABLE ACTIVITIES: CHURCH PROPERTY**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<i>Parsonages</i>						
Custodian expenses	11,716	2,207	13,923	9,139	3,001	12,140
<i>Property costs re churches and church halls</i>						
Diocesan Advisory Committee	50,790	-	50,790	58,224	-	58,224
Church Inspections	29,772	-	29,772	13,200	-	13,200
<i>Church schools</i>						
Depreciation	-	491,723	491,723	-	491,647	491,647
Insurances	-	65,129	65,129	-	65,585	65,585
Option appraisal, enabling and maintenance costs	-	101,805	101,805	-	149,050	149,050
Bad debt provision	-	77	77	-	4,829	4,829
Schools proceeds release	-	750,849	750,849	-	-	-
<i>Support costs (note 13)</i>	7,783	21,227	29,010	6,651	18,802	25,453
<i>Governance costs (note 13)</i>	9,599	3,023	12,622	8,899	1,500	10,399
	<u>109,660</u>	<u>1,436,040</u>	<u>1,545,700</u>	<u>96,113</u>	<u>734,414</u>	<u>830,527</u>

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**11. CHARITABLE ACTIVITIES: GRANTS AND OTHER FINANCIAL SUPPORT**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b><i>Grants to Church in Wales Bodies</i></b>						
Retired clergy and widows	-	2,620	2,620	-	4,873	4,873
Churches fund	7,000	-	7,000	6,250	-	6,250
Mission fund grants to parishes	17,959	-	17,959	32,247	-	32,247
Support of retreat facilities	5,000	-	5,000	5,000	-	5,000
Llandaff Cathedral	60,000	-	60,000	60,000	-	60,000
Bishop's mission & general fund	-	4,154	4,154	-	10,345	10,345
University Chaplaincies	17,045	-	17,045	6,721	-	6,721
Trecco Bay Mission	1,250	-	1,250	1,250	-	1,250
RB Emergency Aid Fund	16,667	-	16,667	16,667	-	16,667
	<u>124,921</u>	<u>6,774</u>	<u>131,695</u>	<u>128,135</u>	<u>15,218</u>	<u>143,353</u>
<b><i>Grants to Anglican, Ecumenical and other bodies</i></b>						
Cardiff Bay Chaplaincy	-	-	-	3,000	-	3,000
Penrhys Ecumenical Mission	2,500	-	2,500	2,500	-	2,500
Additional Curates Society	200	-	200	200	-	200
The Friends of the Clergy Corporation	300	-	300	300	-	300
The Trussell Trust	300	-	300	300	-	300
Citizens UK	10,000	-	10,000	10,000	-	10,000
Community development grants	-	153,878	153,878	-	-	-
Miscellaneous	1,000	6,072	7,072	1,000	12,562	13,562
	<u>14,300</u>	<u>159,950</u>	<u>174,250</u>	<u>17,300</u>	<u>12,562</u>	<u>29,862</u>
	<u>139,221</u>	<u>166,724</u>	<u>305,945</u>	<u>145,435</u>	<u>27,780</u>	<u>173,215</u>

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**12. CHARITABLE ACTIVITIES: COMMUNICATION**

	<b>Unrestricted Funds Total 2017</b>	<b>Unrestricted Funds Total 2016</b>
Diocesan directory costs	3,342	-
Communication officer and IT expenses	22,167	21,464
Croeso	8,342	3,436
Support costs (note 13)	15,422	15,265
Governance costs (note 13)	7,058	6,543
	<u>56,331</u>	<u>46,708</u>

**13. SUPPORT COSTS**

Support costs are allocated on the basis of time spent by staff members on each activity, together with the diocesan office floor area relating to those employees, as shown below

	<b>Note</b>	<b>Unrestricted General Support £</b>	<b>Unrestricted Governance £</b>	<b>Restricted General Support £</b>	<b>Restricted Governance £</b>	<b>Total 2017 £</b>
Support for Ministry	8	68,203	16,387	44,833	-	129,423
Support for Parishes	9	67,548	43,745	-	-	111,293
Church property	10	7,783	9,599	21,227	3,023	41,632
Communication	12	15,422	7,058	-	-	22,480
		<u>158,956</u>	<u>76,789</u>	<u>66,060</u>	<u>3,023</u>	<u>304,828</u>

The Board identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the four key areas of charitable activities undertaken in the year. The table below details the basis of apportionment and analysis of support and governance costs.

	<b>General Support</b>	<b>Governance</b>	<b>Total</b>	<b>Basis of apportionment</b>
Salary Costs	150,435	25,557	175,992	Time spent on activity
General Office costs	74,581	4,495	79,076	Time spent on activity and floor space
Diocesan conference expenses	-	4,365	4,365	Governance
Audit	-	5,440	5,440	Governance
Diocesan registrar	-	23,231	23,231	Governance
Meeting and other sundry costs	-	12,175	12,175	Governance
Legal fees	-	1,526	1,526	Governance
Legal fees (restricted)	-	3,023	3,023	Governance
	<u>225,016</u>	<u>79,812</u>	<u>304,828</u>	

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2017

**14. NET INCOME FOR THE YEAR**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b>This is after charging</b>						
Auditors' remuneration - audit fees	5,440	-	5,440	5,800	-	5,800
Depreciation	16,735	491,723	508,458	16,278	491,647	507,925

**15. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No remuneration was paid to any trustee or any person connected with a trustee during the year (2016 - £nil).

No expenses were paid to any trustee, other than for travel to meetings where claimed.

	Unrestricted £	Restricted £	Total 2017 £	Unrestricted £	Restricted £	Total 2016 £
<b>Employee costs during the year were</b>						
Wages and salaries	350,517	31,000	381,517	362,016	30,753	392,769
Social security costs	29,440	2,592	32,032	31,456	2,564	34,020
Pension contributions	30,277	4,265	34,542	31,029	4,231	35,260
	<u>410,234</u>	<u>37,857</u>	<u>448,091</u>	<u>424,501</u>	<u>37,548</u>	<u>462,049</u>

During the year, the Board employed 19 staff (2016 - 18). This equates to an average of 12.5 (2016 – 11.6) full-time staff.

No employee had employee benefits in excess of £60,000 (2016: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to relevant funds.

The charity trustees were not paid nor received any other benefits from employment with the Board in the year (2016: £nil). Meeting travel costs claimed in the year were £108 (2016: £116). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

**Key management personnel**

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2017 they were considered to be the Diocesan Secretary and Accountant.

Total employee benefits (including salaries, pension and national insurance costs) of the key management personnel of the Board were £111,300 (2016: £97,489).

**Pension costs**

The company contributes a percentage of salary to funds held in a grouped personal pension plan to which each employee also contributes. The plan is operated under the stakeholder pension provisions. The contributions paid in the year amounted to £34,542 (2016: £35,260). At the year end contributions of £nil were due (2016: £nil).

**Taxation**

As a registered charity, Llandaff Diocesan Board of Finance is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2017

**16. TANGIBLE FIXED ASSETS**

	Unrestricted funds			Restricted		Total £
	Office Premises £	Office equipment £	Furniture and fittings £	Land £	Schools £	
<b>Cost</b>						
At 1 January 2017	631,114	20,642	9,572	61,757	24,586,148	25,309,233
Additions	-	-	11,031	-	-	11,031
Disposal / Written off	(2,061)	-	-	-	-	(2,061)
At 31 December 2017	<u>629,053</u>	<u>20,642</u>	<u>20,603</u>	<u>61,757</u>	<u>24,586,148</u>	<u>25,318,203</u>
<b>Accumulated depreciation</b>						
At 1 January 2017	166,493	20,642	2,382	-	7,544,240	7,733,757
Disposal / Written off	(464)	-	-	-	-	(464)
Charge for year	15,777	-	957	-	491,723	508,457
At 31 December 2017	<u>181,806</u>	<u>20,642</u>	<u>3,339</u>	<u>-</u>	<u>8,035,963</u>	<u>8,241,750</u>
<b>Net book value</b>						
At 31 December 2017	<u>447,247</u>	<u>-</u>	<u>17,264</u>	<u>61,757</u>	<u>16,550,185</u>	<u>17,076,453</u>
At 31 December 2016	<u>464,621</u>	<u>-</u>	<u>7,190</u>	<u>61,757</u>	<u>17,041,908</u>	<u>17,575,476</u>

**17. INVESTMENTS HELD AS FIXED ASSETS**

Property	Unrestricted funds £	Restricted funds £	Total £
Investment Properties	<u>220,000</u>	<u>230,956</u>	<u>450,956</u>

The property at Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes, based on professional valuation by Cooke & Arkwright as at 17 January 2018. The property at Cowbridge Road has been transferred to the Board at historic depreciated cost in 2017. The current valuations are considered to be reasonably stated. A revaluation of the Cowbridge Road asset will be undertaken in 2018 in line with the Board's 5 year revaluation policy.

**Listed Securities**

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total £
Balance at 1 January 2017	6,494,723	107,052	177,768	6,779,543
<b>Additions</b>	<b>468,792</b>	<b>6,014</b>	<b>7,657</b>	<b>482,463</b>
<b>Disposals</b>	<b>(242,191)</b>	<b>(2,907)</b>	<b>(4,120)</b>	<b>(249,218)</b>
<b>Revaluation to market value</b>	<b>449,099</b>	<b>7,873</b>	<b>10,521</b>	<b>467,493</b>
<b>Balance at market value at 31 December 2017</b>	<u><b>7,170,423</b></u>	<u><b>118,032</b></u>	<u><b>191,826</b></u>	<u><b>7,480,281</b></u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**17. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)**

The original cost of the above investments at 31 December 2017 was £4,615,863 (2016 - £4,377,054). The above investments are valued at mid-market valuation on 31 December 2017. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

**18. LONG-TERM LOANS**

**(a) LOANS-FIXED ASSETS**

	Balance 1 January 2017 £	New loans/ Revaluation £	Capital repaid £	Balance 31 December 2017 £
<b>i Unrestricted funds</b>				
<b>Loans to parishes and retired clergy</b>				
Curates houses	4,020	-	(2,941)	1,079
Retired clergy general loans	201,555	-	-	201,555
Retired clergy equity linked loans	557,400	-	(30,000)	527,400
<b>Total equals amount of loans received from the Representative Body of the Church in Wales</b>	<u>762,975</u>	<u>-</u>	<u>(32,941)</u>	<u>730,034</u>
General C loans	164,897	40,000	(64,992)	139,905
Loan to Llangasty Retreat House Trust	131,250	-	-	131,250
	<u>1,059,122</u>	<u>40,000</u>	<u>(97,933)</u>	<u>1,001,189</u>
<b>Split as follows:</b>				
Amount due within one year (current asset)	24,279	-	-	20,367
Amount due after one year (fixed asset)	1,034,843	-	-	980,822
<b>ii Restricted Funds</b>				
<b>Governor Loans</b>	<u>293,306</u>	<u>300,000</u>	<u>(369,167)</u>	<u>224,139</u>
<b>Split as follows:</b>				
Amount due within one year (current asset)	69,167	-	-	68,874
Amount due after one year (fixed asset)	224,139	-	-	155,265
<b>Total Long Term Loans</b>	<u>1,352,428</u>	<u>340,000</u>	<u>(467,100)</u>	<u>1,225,328</u>
<b>Split as follows:</b>				
Amount due within one year (current asset)	93,446			89,241
Amount due after one year (fixed asset)	1,258,982			1,136,087

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**18. LONG-TERM LOANS (continued)**

**(b) Loans from The Representative Body Of The Church In Wales**

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Board pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

**(c) Governor Loans**

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from Welsh Government are matched with a deferred income provision.

**19. DEBTORS**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Parish share in arrears	54,119	-	-	54,119	74,511	-	74,511
Provisions	<u>(51,950)</u>	-	-	<u>(51,950)</u>	<u>(73,023)</u>	-	<u>(73,023)</u>
	2,169	-	-	2,169	1,488	-	1,488
Loans due within one year (see note 18)	20,367	68,874	-	89,241	24,279	69,167	93,446
Other debtors (due within one year)	58,527	187,180	38	245,745	66,501	130,987	197,488
Other debtors (due after one year)	<u>1,727</u>	-	-	<u>1,727</u>	<u>3,739</u>	<u>13,992</u>	<u>17,731</u>
	<u><u>82,790</u></u>	<u><u>256,054</u></u>	<u><u>38</u></u>	<u><u>338,882</u></u>	<u><u>96,007</u></u>	<u><u>214,146</u></u>	<u><u>310,153</u></u>

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Unrestricted Funds £	Restricted Funds £	Endow- ment Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Endow- ment Funds £	Total 2016 £
Parish Share rebates	189,337	-	-	189,337	188,972	-	-	188,972
Other creditors	139,114	960,945	273	1,100,332	142,393	48,428	211	191,032
Strategic development fund	15,000	-	-	15,000	196,746	-	-	196,746
Deferred Income	-	-	-	-	-	-	-	-
Governor Loans	-	27,708	-	27,708	-	28,000	-	28,000
	<u><u>343,451</u></u>	<u><u>988,653</u></u>	<u><u>273</u></u>	<u><u>1,332,377</u></u>	<u><u>528,111</u></u>	<u><u>76,428</u></u>	<u><u>211</u></u>	<u><u>604,750</u></u>

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Parish Grant Commitments	19,130	51,139	70,269	40,000	-	40,000
Clergy School	<u>60,700</u>	<u>-</u>	<u>60,700</u>	<u>56,700</u>	<u>-</u>	<u>56,700</u>
	<u><u>79,830</u></u>	<u><u>51,139</u></u>	<u><u>130,969</u></u>	<u><u>96,700</u></u>	<u><u>-</u></u>	<u><u>96,700</u></u>

**22. CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2017. The proceeds of the Schools Fund from the sale of the Penarth Church in Wales primary school land and buildings together with its related interest, is being held awaiting transfer to revertee. Balance awaiting transfer as at 31<sup>st</sup> December is £750,849 which is held within creditors due within one year (Note 20).

**23. DESIGNATED FUNDS**

	Balance at 1 January 2017 £	New designations £	Utilised/ released £	Balance at 31 December 2017 £
Ordination training	108,400	94,500	(63,900)	139,000
Transformation Fund (DBF)	187,288	-	-	187,288
Community Mental Health Chaplaincy	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	<u><u>355,688</u></u>	<u><u>94,500</u></u>	<u><u>(63,900)</u></u>	<u><u>386,288</u></u>

**Ordination training:** These funds are set aside to meet the course costs of ordinands in training at 31 December.

**Transformation Fund:** These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

**Community Mental Health Chaplaincy:** These funds are set aside by the Diocesan Board of Finance to match fund a grant received from All Churches Trust for a three year project to fund a Community Mental Health Chaplain

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**23. DESIGNATED FUNDS (CONTINUED)**

**Prior year comparative - 2016**

	Balance at 1 January 2016 £	New designations £	Utilised/ released £	Balance at 31 December 2016 £
Ordination training	65,800	75,000	(32,400)	108,400
Transformation Fund (DBF)	404,854	-	(217,566)	187,288
Community Mental Health Chaplain	-	60,000	-	60,000
	<u>470,654</u>	<u>135,000</u>	<u>(249,966)</u>	<u>355,688</u>

**24. ENDOWMENT FUNDS**

	Balance at 1 January 2017 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2017 £
Retired Clergy Fund	123,317	4,213	(677)	8,155	(4,213)	130,795
Miss DJN Evans Trust	40,885	1,615	(254)	3,071	(1,615)	43,702
Anonymous Fund	34,309	847	-	2,644	(847)	36,953
	<u>198,511</u>	<u>6,675</u>	<u>(931)</u>	<u>13,870</u>	<u>(6,675)</u>	<u>211,450</u>

The income generated by the funds can be used to further the aims of the charity. The income is transferred to general funds on its receipt, with the exception of the Retired Clergy Fund which is transferred to the Retired Clergy Restricted fund.

**Prior year comparative - 2016**

	Balance at 1 January 2016 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2016 £
Retired Clergy Fund	111,578	4,083	(741)	12,480	(4,083)	123,317
Miss DJN Evans Trust	36,469	1,509	(283)	4,699	(1,509)	40,885
Anonymous Fund	30,289	854	-	4,020	(854)	34,309
	<u>178,336</u>	<u>6,446</u>	<u>(1,024)</u>	<u>21,199</u>	<u>(6,446)</u>	<u>198,511</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**25. FINANCIAL COMMITMENTS (OPERATING LEASES NOTE)**

Total financial commitments under non-cancellable operating leases are as follows as at 31<sup>st</sup> December 2017.

	<b>2018</b>	2017
	<b>£</b>	£
<b>Operating leases expiring:</b>		
Within one year of the balance sheet date	<b>7,170</b>	3,767
In two to five years of the balance sheet date	<u><b>20,835</b></u>	<u>11,904</u>
	<u><b>28,005</b></u>	<u>15,671</u>

**26. COMPANY STATUS**

The company is limited by guarantee to the extent of £1 per member, the maximum number of members being 22; the actual number at 31 December 2017 was 15 (2016: 18).

**27. RELATED PARTY TRANSACTIONS**

There were no related party transactions that occurred during the current or previous year other than those detailed in the financial statements on page 7. An assessment of trustee waived expenses has been made and the value is not material for disclosure.

**LLANDAFF DIOCESAN BOARD OF FINANCE**  
(a company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2017**

**28. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	2017				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	464,511	-	16,611,942	-	17,076,453
Investments	8,371,245	-	504,253	191,826	9,067,324
Net current assets	800,712	386,288	1,536,842	19,624	2,743,466
Due after one year	<u>(809,864)</u>	<u>-</u>	<u>(161,404)</u>	<u>-</u>	<u>(971,268)</u>
	<u><u>8,826,604</u></u>	<u><u>386,288</u></u>	<u><u>18,491,633</u></u>	<u><u>211,450</u></u>	<u><u>27,915,975</u></u>
	2016				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	471,811	-	17,103,665	-	17,575,476
Investments	7,704,566	-	331,191	177,768	8,213,525
Net current assets	658,466	355,688	1,836,766	20,743	2,871,663
Due after one year	<u>(859,675)</u>	<u>-</u>	<u>(137,973)</u>	<u>-</u>	<u>(997,648)</u>
	<u><u>7,975,168</u></u>	<u><u>355,688</u></u>	<u><u>19,133,649</u></u>	<u><u>198,511</u></u>	<u><u>27,663,016</u></u>